| S.No. | Country | Description of projects | DC. | Amount |
|---|---|---|---|---|
| 11 | IBRD | A.P. Economic Restructuring | us$ | 301.30 |
| 12 | Germany | Fertilizer Programme | D.M. | 70.00 |
| 13 | Germany | Minor Irrigation Prog Maharashtra | D.M. | 45.00 |
| 14 | France | Implementation in management of Water Supply Calcutta | F.Fc. | 36.00 |
| 15 | France | Centre for laser Application in Mysore | F.Fc. | 13.80 |
| 16 | France | Impact Assessment of mining activities in Subamarekha Basin | F.Fc. | 19.00 |
| 17 | ADB | Mumbai Port Trust | US$ | 97.80 |
| 18 | ADB | Chennai Port Trust | US$ | 15.20 |
| 19 | ADB | LPG Pipeline Programme | US$ | 150.00 |
| 20 | Germany | Industrial Pollution at NPC | D.M. | 5.50 |
| 21 | Germany | Water Shed Management-Ill | D.M. | 5.00 |
| 22 | Germany | Attachment of savings & credits -Self Help Group to Banks | D.M. | 4.00 |
| 23 | Germany | Integrated Social Security Scheme for Women (SEWA) | D.M. | 2.00 |
| 24 | Sweden | Consultancy Fund | SEK | 27.00 |
| 25 | Sweden | National Rural Water Sply & Sanitation | SEK | 48.50 |
| 26 | Switzerland | Pig Breeding Centre in Kerala | Rs. | 4.50 |
| 27 | U.K. | Haryana Power Sector Reforms | UK Pds | 15.00 |
| 28 | U.K. | Health Policy and System Dev. | UK Pds | 0.80 |
| 29 | U.K. | UK/India collaboration in Oil Seed Crops Phase-II | UK Pds | 1.99 |
| 30 | Canada | Boiler Emission Upgradation | C$ | 2.50 |
| 31 | Denmark | National Programme for Eradication of Leprosy Ph.III | D.Kr. | 76.40 |
| 32 | Netherlands | Pilot Project for Usar and Reclamation in UP | D. Gldr | 10.89 |
| 33 | Japan | Project for Eradication of Poliomyelitis | Yen | 392.00 |
| 34 | Japan | Debt Relief Grant | Yen | 185.67 |

**News-item captioned "Standard Chartered Bank is lying"**

55. DR. Y. LAKSHMI PRASAD:

SHRI K. KALAVENKATA RAO:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item appearing in the 'Indian Express' dated the 14th January, 1999 captioned "Stanchart Bank is lying";

(b) if so, the details of the judgement referred to in the news-item; and

(c) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) Yes, Sir. Standard Chartered Bank had filed a suit in the Special Court because the Custodian required the bank to establish its rights on the shares, debentures and stocks belonging to notified broker, Hiten P. Dalai and held by the bank. In the said suit, the main questions for consideration before the Special Court were whether the plaintiff had suffered

any loss as claimed, whether the brokers had given the shares as security or the same were taken from him forcefully by the bank and whether the said shares if given as security was by way of mortgage and also whether rights and bonus shares, dividends and interest on the said shares would become part of the secured assets.

After hearing the parties in the suit, the Honourable Judge held that:

* No force was used by Stanchart to obtain securities from Hiten P. Dalai to cover their shortfall,
* The said securities (shares) were pleded by Hiten R Dalpl in favour of Stanchart to secure a loss,
* Stanchart has been able to prove a loss of Rs. 280 crore only (against Rs. 1253 crore claimed) and hence these pledged securities can be sold by Stanchart over a period of two years to secure the said loss,
* The bonus, dividends and interest received on above securities do not form part of the pledged securities and therefore Slant hart should return the same to the Office of the Custodian,
* Cantriple units of face value Rs. 35.5 crore should be handed over to the Office of the Custodian.

In its judgement the Special Court made some observations about Standard Chartered Bank. The observations, inter-alia, included an observation to the effect that the bank tried to hide facts from RBI by creating false records. The Special Court also observed both the bank as well as the broker were keeping back the arrangements from the Court and that the bank was not admitting the arrangement because it was contrary to and in breach of RBI regulations and against prudent banking practices.

On an application moved on behalf of Standard Chartered Bank and Hiten R Dalai the Hon'ble Special Court has extended stay of operation of its judgement beyond 24.1.99 by a further four weeks.

**Demand and supply position of Gold in the country**

56. SHRI S.M. KRISHNA: Will the Minister of FINANCE be pleased to state:

(a) whether Government recently hiked custom duty on gold; if so, the details thereof including the reasons/rationale behind taking such decision;

(b) what is the status of demand and supply position of gold in the country;

(c) the details of gold imported during the last three years, year-wise, and names of the countries from where the gold was imported; and

(d) whether Government are aware that hike in duty may boost smuggling; if so, the details of study undertaken and remedial steps formulated against smuggling?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE, ) (SHRI KADAMBUR MR. JANARTHA.NAN): (a) Yes Sir, the duty on gold imported by eligible passengers and designated agencies has been increased from Rs. 250 per 10 grams to Rs. 400 per 10 grams with effect from 5.1.99 vide notification No.2/99-Cus. dated 4.1.99. The import duty on gold was increased considering the trend in the quantity of gold imported and in order to moderate the import of gold and also to realise some additional revenue.

(b) As per estimates the demand of gold in India during 1998 exceeded the demand during 1997. The demand for 1997 has been reported in the range of 705 MT whereas in 1998 as 740MT. As regards supplies, the total import of gold during 1998 was 627.358 MT as against 527.85 MT in 1997.

(c) The details of gold import during last 3 years is given in the Statement. *(See* below) The nominated agencies import gold mainly from United Kingdom, Hongkong, Singapore and Dubai. Under the NRI scheme gold is mainly imported from the Gulf countries and the Far East countries.

(d) The Government does not consider the increase in the rate of duty would boost smuggling. However, the Preventive agencies have been alerted for taking remedial measures.